

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2020-50-E - ORDER NO. 2020-333

APRIL 30, 2020

IN RE: Request of Dominion Energy South Carolina, Inc. to Decrease Its Rate Rider Related to Pension Costs from \$0.00033 to (\$0.00017) Per Kilowatt-Hour)	ORDER APPROVING REDUCTION IN RATE RIDER RELATIVE TO PENSION COSTS
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This matter comes before the Public Service Commission of South Carolina (“the Commission”) on the request of Dominion Energy South Carolina, Inc. (“Dominion” or “the Company”) to decrease its Rate Rider related to Pension Costs from \$0.00033 to (\$0.00017) per kilowatt-hour (“kWh”).

Commission Order No. 2012-951 approved the Company’s mechanism to recover its pension costs related to retail electric operations, and this Pension Rider is subject to annual true-up depending on conditions in financial markets and other factors. Since its creation in 2012, the Company has periodically petitioned this Commission to adjust the Pension Rider to maintain the proper balance in the fund. Since the last adjustment to the Company’s Pension Rider in Docket No. 2017-56-E, the prior under-collected balance of pension costs has been eliminated, and the Company states that it is over-collecting with current actuarial estimates reflecting a decrease in pension costs. The Company projects there will be an over-collection of pension costs of approximately \$11 million as of April 2021 if the currently approved Pension Rider is not reduced.

The Office of Regulatory Staff (“ORS”) has reviewed the Company’s proposal and 2019 actuarial report. According to ORS, the current actuarial estimates reflect a decrease in pension costs, resulting in the requested decrease to the Company’s Pension Rider. Based on its review, ORS believes that Dominion’s proposal is in accordance with Order No. 2012-951, and ORS does not object to the Company’s request to decrease the Pension Rider from \$0.00033 to (\$0.00017) per kWh.

ORS recommends that Dominion file quarterly updates with the Commission and ORS for a twelve-month period, in a format that is determined in collaboration with ORS on the balance of the Pension Rider and updated projections through April 2021. As reasoning for its request for quarterly updates, ORS cites to the current economic volatility and uncertainty of future market conditions due to COVID-19 and a concern that the proposed decrease might result in a faster-than-anticipated balancing of the over-collection. In order to monitor the impacts of economic and market conditions, ORS recommends the filing of the quarterly updates for a twelve-month period. ORS maintains it will report to the Commission at the end of the twelve-month period, if ORS has additional recommendations for adjustments to the Pension Rider.

In its filing, Dominion also requests that the Commission review the updated Pension Rider reflecting a decrease without notice and hearing and that the updated Pension Rider be effective for bills rendered on or after the first billing cycle of May 2020. ORS does not oppose Dominion’s request that the updated Pension Rider be put into effect without notice or hearing or that the updated Rider be effective for bills rendered on or after the first May 2020 billing cycle. Pursuant to S.C. Code Ann. § 58-27-870(F), the

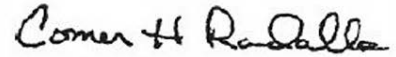
Commission “may allow rates or tariffs to be put into effect without notice and hearing ... when such rates or tariffs do not require a determination of the entire rate structure and overall rate of return, or when the rates or tariffs do not result in any rate increase to the electrical utility ... or when the rates or tariffs so filed are otherwise necessary to obtain an orderly rate administration.”

Accordingly, based on the information received from the Company and ORS, this Commission approves the decrease to the Pension Rider, from \$0.00033 to (\$0.00017) per kWh, effective for bills rendered on and after the first billing cycle of May 2020.¹ As the requested change in the Pension Rider does not require a determination of Dominion’s entire rate structure or overall rate of return and results in an orderly rate administration and does not result in any rate increase to the Company, the decrease in the Pension Rider is approved without notice or hearing pursuant to S.C. Code Ann. § 58-27-870(F). Dominion shall file the new Pension Rider consistent with the Order with this Commission within ten (10) days of receipt of this Order, and serve all parties. This Commission also holds that Dominion shall file quarterly updates through April 2021 on a form developed in collaboration with ORS. Further, ORS is requested to report its recommendations to this Commission for adjustments to the Pension Rider at the end of that twelve-month period.

¹ Our calculations reveal that the reduction to the Pension Rider will save a Dominion ratepayer using 1,000 kWh a month an average of approximately \$0.48 per month, when the tax rider approved in Commission Order No. 2018-804 is also applied.


This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



Comer H. "Randy" Randall, Chairman

ATTEST:



Jocelyn Boyd, Chief Clerk/Executive Director